

AGENDA SUMMARY PAGE
REDEVELOPMENT AGENCY MEETING OF: JUNE 18, 2008

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

SUBJECT:

RESOLUTIONS:

RA-6-2008 - Discussion and possible action regarding a Resolution authorizing the issuance of the Taxable Tax Increment Subordinate Lien Note from the Redevelopment Agency to Simon/Chelsea Las Vegas Development, LLC, located at 785 South Grand Central Parkway, and providing for all matters related thereto (\$756,095 – Redevelopment Agency Special Revenue Fund) - Ward 5 (Barlow)

Fiscal Impact

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No Impact

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Augmentation Required

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Budget Funds Available

Amount: \$756,095

Funding Source: Redevelopment Agency Special Revenue Fund

Dept./Division: Office of Business Development

PURPOSE/BACKGROUND:

On June 9, 2002, the RDA and Simon/Chelsea Las Vegas Development, LLC entered into an Owner Participation Agreement (OPA) to allow for Tax Increment Financing (TIF) on the development of a Shopping Center. On March 5, 2003, Simon/Chelsea submitted their Employment Plan under a First Amendment to OPA. On February 7, 2007, the RDA and Simon/Chelsea entered into a Second Amendment to OPA to allow for TIF on Phase II of the Project. A New Note would be issued capturing the Increment created from the Phase II construction. The term of the New Note is for the remaining term of the Original Note, which is March 5, 2016. The principal amount of the New Note has been calculated to be \$756,095 with annual payments of \$126,622 paid from the Available Accrued Taxes generated from the Project.

RECOMMENDATION:

Approval.

BACKUP DOCUMENTATION:

1. Resolution RA-6-2008 with attached Note
2. Disclosure of Principals
3. Site Map

Motion made by OSCAR B. GOODMAN to Approve

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Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

LOIS TARKANIAN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW, LARRY BROWN)

Minutes:

SCOTT ADAMS, Operations Officer of the Redevelopment Agency, stated that this resolution is similar to the previous request but relates to the Las Vegas Premium Outlets Phase II. With the addition of two parking garages and over 104,000 square feet of retail space, MR. ADAMS stated that the taxable value increased from \$57 million to \$84 million. He noted that previously this project was under an existing Owner Participation Agreement (OPA) that had a prior Tax Increment Financing (TIF) note approved. The original term was for 13 years and to date, eight years remain on which a note can be drafted over resulting in a \$756,095 note with annual payments of \$126,622.

TONY CELESTE, 3800 Howard Hughes Parkway, appeared on behalf of the applicant. He introduced TERRY YOUNG and MARK SILVESTRI from Chelsea Properties.

CHAIRMAN GOODMAN asked MR. SILVESTRI to speak briefly of his experience relating to TIF. Responding, MR. SILVESTRI stated that the entire experience was extremely helpful and it has been a win-win situation not only for Chelsea Properties but for the City as well. He expressed his amazement at watching the transformation take place over the past eight years and complimented the Redevelopment Agency for the great work they have done. MR. SILVESTRI stated that the second phase was not planned, but with the Center being so successful they considered their options. He remarked that the addition has also proven to be successful and is 100% leased.

In response to CHAIRMAN GOODMAN'S question regarding the terms of the agreement, MR. SILVESTRI stated that they have already fronted the money and this would reimburse them for the money already spent.